

JOINT PUBLIC HEARING ON
BILL 17-0011, “BALLPARK HARD AND SOFT COSTS
CAP ACT OF 2007”
AND
BILL 17-0021, “BALLPARK PARKING COMPLETION
AMENDMENT ACT OF 2007”

Before the
Committee of the Whole
The Honorable Vincent Gray, Chairman
And the
Committee on Economic Development
The Honorable Kwame Brown, Chairman

Council of the District of Columbia

March 15, 2007, 10:00 a.m.
Room 412, John A. Wilson Building



Testimony of
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Natwar M. Gandhi
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Good morning Chairman Gray, Chairman Brown, and members of the Committee of the Whole and the Committee on Economic Development. My name is John Ross, and I am Senior Advisor and Director of Economic Development Finance for the Office of the Chief Financial Officer (OCFO). I am here to testify for the OCFO on Bill 17-0011, the “Ballpark Hard and Soft Costs Cap Act of 2007,” and Bill 17-0021, the “Ballpark Parking Completion Amendment Act of 2007.”

These two bills are identical to the acts passed as emergency and temporary legislation in March and November of 2006. The emergency and temporary legislation enabled the D.C. Sports and Entertainment Commission to move forward with construction of the stadium and parking facilities for the new ballpark.

The Ballpark Hard and Soft Costs Cap Act of 2007 makes permanent the budget under which the ballpark is currently being built. It would restrict the District’s contribution to the ballpark project budget for hard costs and soft costs associated with construction of the ballpark. The proposed act would limit the District’s contribution for hard costs to \$300 million. The act would also limit the District’s contribution for soft costs (identified as soft, ancillary, contingency, completion guarantee fee, and financing fee costs) to \$175 million. The soft costs cap excludes land acquisition, environmental remediation, relocation, demolition, and RFK stadium renovation costs.

The amounts identified as constituting hard and soft costs correspond to the budget transmitted by the D.C. Sports and Entertainment Commission to the Council on

February 3, 2006. These same cost estimates informed the issuance of the ballpark revenue bonds, which were delivered on May 15, 2006.

The proposed act also would authorize the following sources to pay any amount of hard costs in excess of \$300 million and soft costs in excess of \$175 million:

1. The team;
2. Savings realized from value engineering; or
3. Federal, private, or other non-District government funds, except that District government non-general fund funds may be used if required by the bond indenture.

The proposed act prohibits the use of any revenue derived from the sale of development rights on the ballpark site for hard and soft costs. Proceeds from the sale of these development rights can only be used for land acquisition and environmental remediation. Any funds not needed for these categories must be deposited into the Community Benefits Fund.

The Ballpark Parking Completion Amendment Act of 2007 would amend the District of Columbia Comprehensive Plan Act of 1984 Land Use Element Amendment Act of 1984 to exempt from zoning the government's use of the parking structures that will provide approximately 1,225 parking spaces on areas commonly known as parcels A, B and C within the baseball stadium site. The parking and team program are included in the D.C. Sports and Entertainment Commission's plan.

Funds are sufficient in the budget and financial plan to implement both the Ballpark Hard and Soft Costs Cap Act of 2007 and the Ballpark Parking Completion Amendment Act of 2007.

Thank you for the opportunity to testify. This concludes my testimony, and I am happy to answer any questions you have at this time.